

VZCZCXRO0626
OO RUEHBC RUEHDE RUEHDIR RUEHKUK RUEHROV
DE RUEHTV #0936/01 1180813
ZNY SSSSS ZZH
O 280813Z APR 09
FM AMEMBASSY TEL AVIV
TO RUEHC/SECSTATE WASHDC IMMEDIATE 1548
INFO RUEHKK/ARAB ISRAELI COLLECTIVE PRIORITY
RUCNIRA/IRAN COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

S E C R E T SECTION 01 OF 03 TEL AVIV 000936

SIPDIS

H PASS TO CODEL KYL

E.O. 12958: DECL: 04/14/2019

TAGS: [PREL](#) [PTER](#) [PGOV](#) [KNNP](#) [KWBG](#) [IR](#) [IS](#)

SUBJECT: CODEL KYL'S MEETING WITH PRIME MINISTER NETANYAHU:
WHAT WILL THE U.S. DO ABOUT IRAN?

Classified By: Ambassador James B. Cunningham, Reason 1.4 (b) (d)

1. (S) Summary. CODEL Kyl, accompanied by the Ambassador, called on Prime Minister Benjamin Netanyahu April 6 in the first official U.S. meeting with Netanyahu since he formed a government. The main topics of discussion were stopping Iran's nuclear program and Netanyahu's approach to peace-making with the Palestinians. On Iran, Senator Kyl raised ways to increase the effect of sanctions, including possible legislation targeting Iranian imports of refined petroleum. Adopting a forceful stance, Netanyahu asked repeatedly what the U.S. plans to do if sanctions and engagement fail to stop Iran's program. Calling Iran's development of a nuclear bomb a world-changing event, Netanyahu said all other issues become insignificant by comparison. On the Palestinians, Netanyahu reviewed his intent to pursue a three-track approach with political, economic, and security aspects. While noting that his government is conducting a review of Israeli policy toward the Palestinians, Netanyahu asserted that there is agreement within the government and among 80% of Israelis that the Palestinians should be able to rule themselves, but with limits imposed by Israel's security requirements. Netanyahu said the only difference between his position and that of opposition leader Tzipi Livni is over the name of the goal, i.e. the two-state solution. In response to comments by Senator Sessions that the Palestinian Authority needs functioning courts and jails as well as police, Netanyahu agreed but said he had not yet focused much on Palestinian governance issues. Netanyahu said he wants to show the Palestinians the benefits of peace, but with the proviso that if Iran goes nuclear, peace will fail. Predicting that his government would pleasantly surprise many critics, Netanyahu concluded that he hopes to come up with a common approach with President Obama. End Summary.

2. (U) CODEL Kyl, consisting of Senator Jon Kyl (R, AZ); Senator Jeff Sessions (R, AL); Representative Jane Harman (D, CA); Representative John Kline (R, MN); and Representative Chris Carney (D, PA), called on Prime Minister Benjamin Netanyahu April 6. The Ambassador, Congressional staff, and Pol Couns (notetaker) participated in the meeting. Netanyahu was joined by National Security Adviser Uzi Arad, Spokesman Mark Regev, Policy Adviser Ron Dermer, former chairman of the Knesset's Foreign Affairs and Defense Committee Kadima MK Tzachi Hanegbi (Senator's Kyl's counterpart in the U.S.-Israel Joint Parliamentary Committee on National Security), and the Israeli Embassy in Washington's Congressional liaison officer. The meeting was the first official U.S. face to face contact with Netanyahu since he formed his government.

What Will the U.S. Do About Iran?

3. (S) After a brief discussion of the world economic crisis,

Senator Kyl raised Iran, noting the "sobering" briefings the CODEL had received from senior Israeli defense and intelligence officials the previous day. Kyl said the Congress is looking at legislation that would target Iran's imports of refined petroleum products, adding that there are only four or five companies that supply refined petroleum to Iran and the U.S. has considerable leverage over most of them. Kyl added that Israeli experts had told the CODEL that they thought such legislation would be helpful. Netanyahu said nothing is slowing the progress of Iran's nuclear program. The Prime Minister asked what will happen to the Middle East if Iran obtains a nuclear weapon? If such a prospect is unacceptable, what will the U.S. do as Iran reaches the nuclear threshold? What will the U.S. do if Pakistan is taken over by Islamic radicals?

14. (S) Representative Harman told Netanyahu that no one in the CODEL disagreed with his analysis, but the U.S. should give engagement an opportunity to see if it works. If it does not, at least it would show the world that the U.S. had tried. She added that Congress supports engagement on a bipartisan basis. Senator Kyl added that the Europeans tried to engage Iran for five years but it did not work. President Obama will pursue engagement, but Kyl said he doubted it would be successful. We should consider what to do in the mean time. Netanyahu responded that the U.S. should move quickly. Engagement should have a short time limit and a specific goal, for example talk to the Iranians for four to twelve weeks and make clear that the U.S. goal is an end to their nuclear program. Leaning forward, Netanyahu repeated his earlier question: "What will you do if it does not work?"

TEL AVIV 00000936 002 OF 003

15. (S) Netanyahu said that learning to live with a nuclear Iran would be a big mistake which would lead to a different, more dangerous world. While he noted that he could not say for certain that Iran would use a nuclear weapon against Israel, if Iran had a bomb Israelis would have to ask that question every day. This is a historic moment, and leaders have a responsibility to make decisions. All other issues are insignificant by comparison. For a third time, Netanyahu asked, "What are you going to do?"

Netanyahu's Approach to the Palestinians

16. (C) Senator Kyl asked the Prime Minister about his view of the two-state solution. Netanyahu said he plans to engage the Palestinian Authority quickly and will not tie political talks with the Palestinians to developments with Iran. Reviewing a now familiar formula, Netanyahu said he will approach the Palestinians on parallel political, economic and security tracks. Political talks would aim at achieving an agreement within certain limits, the economic approach would promote foreign and Arab investment and joint projects with Israeli partners, while the security track would continue to build up the PA's security forces. In order to do any of this, Netanyahu noted, he will need a Palestinian partner.

17. (C) Representative Harman observed that the CODEL had visited units of the PA's National Security Forces and the Presidential Guard. PA Prime Minister Fayyad said he was happy with the PA's security forces, and they want to take on increased responsibility for security in Jericho and Jenin. Netanyahu replied that Israel would be happy to let them do more, but it is not clear what Hamas will do next. If Hamas forces a confrontation, Israel will have to initiate further military action in Gaza. Israel did not want to go back into Gaza, but it will do what is necessary to protect its people.

18. (C) Netanyahu said his government is reviewing Israel's policy toward the Palestinians. There is a consensus in the government and among 80% of the Israeli public that the Palestinians should be able to govern themselves. The only

limits on Palestinian sovereignty would be elements that affect Israel's security. A Palestinian state must be demilitarized, without control over its air space and electro-magnetic field, and without the power to enter into treaties or control its borders. Netanyahu concluded that he and opposition leader Tzipi Livni "only disagree about the name," i.e. the two-state solution.

¶9. (C) Senator Sessions noted that people everywhere want law and order. Palestinians not only need to deal with terrorism, they also need a functioning legal system. Moving from a lawless system, the Palestinian Authority is showing some pride, but police are not enough, they need courts and jails that work. Economic development is impossible in a lawless society. Netanyahu agreed this was a valid point and uncharacteristically admitted that he had not focused much on Palestinian governance. He added that international assistance should provide funding for jails and courts. It is possible to create crime-free zones and begin economic development "in bubbles" which would then be expanded. Senator Sessions noted that Lt. General Dayton is focused on this issue. Representative Harman commented that "bubbles" in the West Bank would not be enough, Palestinians need law and order everywhere.

¶10. (C) Netanyahu said the "classic rhetoric" of the peace process has been that if Israel withdraws, all will be well. Now, however, if Israel withdrew from the West Bank, Hamas would take over. Economic development would not be a substitute for a political settlement, but it would change the environment and show Palestinians the benefits of peace. Israel has been trying to "build a roof without a foundation" and it has not worked. Netanyahu said there was one proviso: If Iran gets a nuke, peace efforts will fail.

¶11. (C) Netanyahu pointed to the example of Jordanian King Hussein, whom he termed Israel's best Arab ally and a man deeply committed to peace. Yet when Saddam Hussein took Kuwait, King Hussein got on board with the Iraqis. In the event of a nuclear Iran, "all the Arabs will become Qatar." We should therefore move in parallel to work for peace with the Palestinians while acting to stop Iran. Netanyahu said he thought his government would pleasantly surprise many of its critics. He concluded the meeting by saying that he wants to coordinate Israel's positions with the U.S. and hopes to come to a common position with President Obama.

TEL AVIV 00000936 003 OF 003

¶12. (U) CODEL Kyl has cleared this cable.

Visit Embassy Tel Aviv's Classified Website:
<http://www.state.sgov.gov/p/nea/telaviv>

CUNNINGHAM